

## ADVISORY BOARD

With the end of 2005, legislation that created the City Light Advisory Board expired. Established in 2003 following the energy crisis, the board provided expert, independent guidance to the utility, the Mayor, and the City Council in the areas of risk management, finance and power markets, issue analysis, policy development, long-range planning and other areas. The board was a major force in developing the utility's new financial policies, and City Light is indebted to the board members for their hard work and valuable insight.

Members: Carol S. Arnold; Randall W. Hardy; Jay F. Lapin; Maura L. O'Neill (until March 2004); Sara Patton; Gary Swofford (appointed in July 2004); Donald Wise.

## RATES

In November, City Light rolled back rates slightly, thanks to a drop in BPA wholesale-power costs. Bills dropped about 2 percent for residential customers and about 2.6 percent for high-demand industrial customers. The utility's rates have gone down 4 percent since March 2002. ★

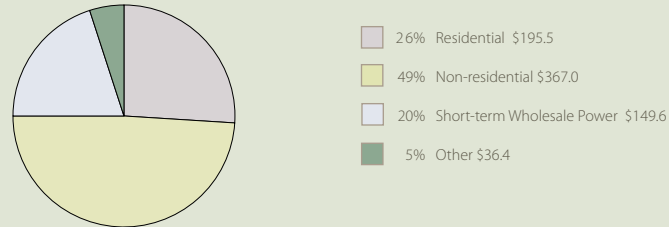


Ross Dam

*City Light has conducted public tours of the Skagit River Project since 1928*

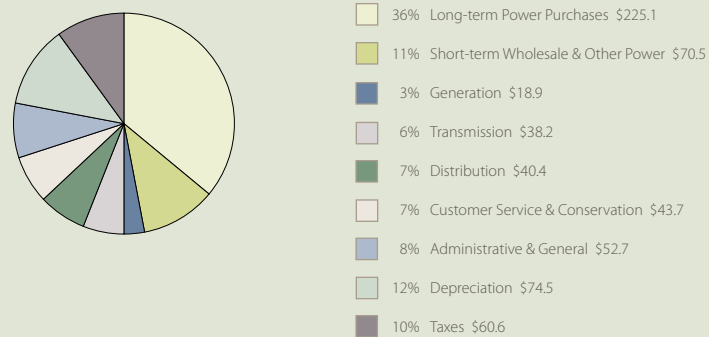
## 2005 OPERATING REVENUES

(in millions = \$748.5)



## 2005 OPERATING EXPENSES

(in millions = \$624.6)



## 2005 HIGHLIGHTS (Unaudited)

Financial (in millions)	2005	2004	% Change
Total operating revenues	\$ 748.5	\$ 777.9	(3.8)
Total operating expenses	624.6	710.0	(12.0)
Net operating income	123.9	67.9	82.5
Investment income	5.7	2.5	100+
Interest expense, net	(73.6)	(76.3)	(3.5)
Other income (expense), net	(0.3)	1.8	(100+)
Fees and grants	26.2	17.9	46.4
Net income	\$ 81.9	\$ 13.8	100+
Debt service coverage, all bonds	1.86	1.52	22.4

Energy	2005	2004	% Change
Total generation	5,544,793 MWh	6,019,707 MWh	(7.9)
Firm energy load	9,703,046 MWh	9,560,928 MWh	1.5
Peak load (highest single hourly use)	1,714 MW (December 16, 2005)	1,799 MW (January 5, 2004)	(4.7)
Average number of residential customers	336,363	333,560	0.8
Annual average residential energy consumption (includes estimated unbilled revenue allocation)	8,785 kWh	8,852 kWh	(0.8)